PRESS RELEASE **7 DECEMBER 2018**

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS ANNOUNCEMENT

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited interim results for the six months ended 31 October 2018.

Berkeley is the country's leading place-maker, operating principally in London and the South East. We are a proud UK business and tax payer. We create beautiful, successful places where communities thrive and where people of all ages and backgrounds enjoy a great quality of life.

DELIVERING FOR ALL STAKEHOLDERS

- 2,027 homes delivered – includes more than 10% of London's new private and affordable homes
- Over £300 million of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the period
- Over 11,000 people working across our sites, including over 350 apprenticeships, with the launch of a second construction academy in the six months
- Maintained Industry leading Net Promoter Score and Customer Service Ratings
- Berkeley's pioneering approach to enhancing nature and biodiversity, adopted in 2016, has been recognised by Government, with DEFRA now consulting on plans to make net biodiversity gain a national policy requirement
- Unique operating model with 21 experienced, autonomous management teams

EARNINGS *

- £401.2 million of pre-tax profit (2017: £539.9 million)
- Pre-tax profit guidance for the current financial year increased by more than 5%, with full year split between first and second half anticipated to be similar to last year, reflecting resilient trading in the period
- Guidance for next two years unchanged with pre-tax ROE normalising thereafter towards 15%, based on current market conditions

FINANCIAL POSITION *

- Net cash of £859.7 million (April 2018: £687.3 million)
- Net asset value per share up 7.0% to £20.74 (April 2018: £19.38)
- Cash due on forward sales of £1.9 billion (April 2018: £2.2 billion)
- £6.0 billion of estimated future gross margin in land holdings (April 2018: £6.0 billion)

STRATEGY FOR INVESTMENT AND SHAREHOLDER RETURNS

- New investment phase beginning as Berkeley invests for the long-term, bringing forward the next wave of regeneration sites, coupled with new opportunities, adding 11 new sites in the period
- 5.4 million shares acquired in the six month period for £193.7 million and dividends paid of £43.8 million
- Annual Shareholder Return to be extended at current amount of £280 million per annum to 2025

* The results for the six months ended 31 October 2017 and the year ended 30 April 2018 have been restated following the adoption of IFRS 15, "Revenue from Contracts with Customers". Accordingly, all references to comparable period performance throughout this press release have been restated. Details regarding the financial impact of IFRS 15 are included in note 8 of the condensed consolidated financial statements attached to this press release.

CHAIRMAN'S STATEMENT

Today's results reflect the strengths of Berkeley's unique long-term operating model, that is responsive to the cyclical nature of the housing market, and our expertise in transforming the most challenging and complex sites into exceptional places where communities thrive. We have a holistic approach to place-making which goes beyond the conventional role of a housing developer. Berkeley places the strength and wellbeing of the local community at the heart of every plan and works in partnership with local people and councils to unlock lasting value. This people-centered approach makes Berkeley a partner of choice and is reflected in the industry leading satisfaction scores we receive from our customers.

Our capacity to successfully manage higher risk, capital intensive developments continues to set us apart and delivers strong social, economic and commercial value. In London, we have again delivered more than 10% of all new homes and our contributions to affordable housing and wider community infrastructure benefits have exceeded £300 million in the six months. Berkeley has built 19,500 new homes of all types and tenures in the last five years whilst generating £12.0 billion in economic output, contributing £3.3 billion to the Treasury through direct and wider taxation and supported an average of 27,750 jobs each year. Meanwhile, the Berkeley Foundation is supporting some 50 charities to improve the lives of young people, targeted at homelessness, skills, jobs and health and well-being.

Berkeley's pioneering approach to creating a measurable increase in biodiversity on all new sites has been recognised by Government and is on course to become a national policy requirement. Working in partnership with West London College, the exceptional West London Construction Academy was opened in October on our Southall Waterside development, which will help tackle the UK's construction skills crisis and address the exodus of talent from the industry. We have also continued construction on our Berkeley Modular manufacturing facility in Kent and begun working with North Kent College to create a unique apprenticeship scheme that will enable candidates to gain valuable experience of volumetric modular manufacturing. Over 350 apprentices have worked on Berkeley's sites in the last six months.

Much is documented on the challenges facing the housing market in the UK. We firmly believe that the key to increasing housing supply is a renewed focus on partnership and collaboration between the public and private sectors. We need to make homebuilding a shared agenda and create an environment which actively encourages good quality developments to come forward, and then supports them all the way through to completion.

Berkeley is determined to be at the forefront of this and is delighted that, we are today announcing the next phase of our long-term strategy. We are seeing opportunities to invest in today's market, with 11 sites added to the land holdings in the period. Two of these sites are in Birmingham, where we are delighted to be part of the renaissance of this great city, based on a progressive and refreshing partnership with the local authority. In addition we have made good progress over this and recent periods in bringing the next wave of regeneration sites through the complex path to commencement. This additional investment in land and construction underpins our objective to maintain annual Shareholder Returns at the current level of £280 million through to 2025.

£130.5 million of the previously announced six month return to be paid by 31 March 2019 has already been made through share-buy-backs. The remaining £9.2 million will be paid as a dividend of 7.12 pence per share on 16 January 2019 to shareholders on the register on 21 December 2018.

Last year we announced changes to the Board, introducing four new Directors, including two new Executive Directors, ensuring we have the right team in place to deliver the value created in Berkeley as we enter this next strategic phase. This succession planning, bringing talent through the business, is critical to the long-term sustainability of a business such as Berkeley, and I am delighted with how well the Board is operating.

We were recently honoured that our partnership with Hackney Council at Woodberry Down was named UK Project of the Year at the 2018 RICS Awards in recognition for its benefits to the local community.

None of these achievements would be possible without our exceptional staff, supply chain, joint venture partners, customers and investors. I also want to thank our valued local government and community partners who play such a vital role in shaping the places we create and bringing them to life for everyone to enjoy.

Tony Pidgley CBE
Chairman

CHIEF EXECUTIVE'S STATEMENT

Summary of Performance

Berkeley has delivered pre-tax earnings of £401.2 million for the six month period, a decrease of 25.7% on the equivalent period last year. This is from the sale of 2,027 homes (2017: 2,190) at an average selling price of £740,000 (2017: £721,000), reflecting the mix of properties sold in the period.

Six months ended 31 October	2018	2017 (Restated)	Change	
	£'m	£'m	£'m	%
Revenue	1,653.4	1,664.5	-11.1	-0.7%
Gross profit	482.8	593.8	-111.0	-18.7%
Operating expenses	(80.7)	(79.6)	-1.1	+1.4%
Operating profit	402.1	514.2	-112.1	-21.8%
Net finance costs	(3.2)	(2.1)		
Share of joint ventures	2.3	27.8		
Profit before tax	401.2	539.9	-138.7	-25.7%
Pre-Tax Return on Equity	30.5%	48.8%		
Earnings Per Share – Basic	246.0p	320.5p	-74.5p	-23.2%
Shareholder Returns	**£'m**	**£'m**	**£'m**	**%**
Dividend paid	43.8	70.4	-26.6	-37.8%
Share Buy-backs under Shareholder Returns Programme	193.7	92.8	+100.9	+108.7%
Shareholder Return in the period	237.5	163.2	+74.3	+45.5%

With the resilient start to the year, Berkeley is increasing its pre-tax profit guidance for the current year by at least 5% and now anticipates a similar split between the first and second half to last year when 55% was earned in the first six months of the year. The guidance for the next two years is unchanged.

Strategy Update

Berkeley's strategy for capital allocation is to: first, invest in opportunities for the business where the right risk-adjusted returns are available; second, to ensure the financial strength reflects the prevailing macro environment; and third, to make returns to shareholders through either dividends or share buy-backs.

The current phase of the strategy began in 2011. We had entered the financial crisis in a position of strength and identified what was a unique opportunity to invest our capital to create value for our shareholders and other stakeholders. At the time, Berkeley had net assets of £0.9 billion (£7.09 per share), was ungeared and had an estimated £2.3 billion of future gross profit in its land holdings. From this base we made a commitment to return £1.7 billion to shareholders (£13 per share) over the next ten years.

Over the subsequent seven and a half years, Berkeley successfully executed its strategy, delivering exceptional financial returns that were unique to this period and the investments Berkeley made. £1.55 billion (£11.34 per share) has been returned to shareholders, while net assets have grown by £1.8 billion (£13.65 per share) to £2.7 billion (£20.74 per share), with an estimated £6.0 billion of future gross profit in its land holdings following this balance sheet investment. Berkeley is now a business of scale with over £850 million of net cash with which to invest as a new phase of the strategy begins.

The investment in this period has allowed Berkeley to add a number of fantastic sites to its urban regeneration portfolio in its wholly owned business, as well as that of its joint ventures. These are in, or will shortly move into, production and include sites at White City, Northfields, Southall, West Ham and Kennington in London as well as, Birmingham, Watford, Reading, Slough, and Staines outside the Capital. In its joint ventures, this includes sites at Fleet in St Edward, and Hornsey, Fulham and Poplar in St William.

We are also seeing a number of new opportunities as the market in London and the South East factors in the prevailing macro uncertainty and policy interventions of recent years.

Berkeley has the unique expertise to unlock the social and economic value in these sites, which include some of the most complex and ambitious in Europe, coupled with the strong capital base required to execute their delivery as, by nature they are highly capital intensive; particularly in the early stages of remediation and investment in site infrastructure. As we know from the ongoing development of our existing regeneration sites, the success of these long-term sites is founded on trusted partnerships with Local Authorities and communities and their development is directly aligned to the Government's strategy for increasing the supply of good quality homes for everyone, across all tenures.

Entering this new phase of the strategy, Berkeley is targeting a long-term, sustainable pre-tax return on equity of 15%; a return commensurate with the investment required to bring forward the next generation of sites into production, their longevity and relative risk profile, alongside Berkeley's lasting commitment to investing in the wider community benefits that good development brings.

In terms of Shareholder Returns, we now see the current quantum of returning £280 million per annum continuing beyond the current formal period, which ends in 2021, to September 2025, assuming there is no material deterioration in the operating environment.

Following the Interim Results, the Remuneration Committee of the Board will consult with Shareholders over a new three year remuneration policy for implementation next year.

Shareholder Returns Programme

The current formal Shareholder Returns Programme was initially put in place in 2011 and is forecast to return at least £16.34 per share (£2.2 billion) to shareholders by 30 September 2021, through either dividend or share buy-backs. This currently equates to £279.4 million per annum and is made in two equal instalments of £139.7 million each year.

Today, Berkeley is announcing an interim dividend of 7.12 pence per share (£9.2 million in total). This will be paid on 16 January 2019 to all shareholders on the register on 21 December 2018 and will complete the £139.7 million return previously committed to be made by 31 March 2019, the remaining £130.5 million already having been made through share buy-backs. The dividend payment date represents a slight acceleration in the dividend payment date to recent years.

In addition, Berkeley is also announcing today that the next £139.7 million shareholder return will be provided by 30 September 2019 through a combination of dividends and share buy-backs. This amount will be increased appropriately in the event that any new shares are issued either from treasury or as newly listed shares.

Berkeley has now returned or committed to return £12.34 per share of the £16.34 Shareholder Return to be made by 30 September 2021. During the reporting period, Shareholder Returns totalled £237.5 million, with £43.8 million returned through dividends and £193.7 million through share buy-backs (5.4 million shares). As noted above, of the amount spent on share buy-backs, £130.5 million relates to the £139.7 million committed to be returned by 31 March 2019.

Of the Shareholder Returns made to date under the 2011 Programme, £378.5 million has been made via share buy-backs, with 10.9 million shares acquired, at an average cost of £34.66 pence per share (range: £28.08 - £38.45 per share). Following the share buy-backs executed to date, the annual Shareholder Return (currently £279.4 million) now equates to £2.16 per share; an 8% increase to the initial £2 per share.

Housing Market

For Berkeley, trading conditions and the value of new reservations in the period to 31 October 2018 have remained consistent with the previous 18 months. This reflects a market in London and the South East that lacks urgency. Pricing and cancellation levels are stable but underlying demand is constrained by a combination of macro uncertainties and policy interventions. These include high transaction costs and mortgage restrictions, on both income multiples and mortgage offer periods.

Reflecting the profile of delivery on our London developments, this has been a period in which high revenue has resulted in a moderation of cash due on forward sales to £1.9 billion, down from £2.2 billion at year end.

The cash due on these forward sales will be collected in the next three financial years and provides a strong underpin for the business plan.

The current level of sales activity supports Berkeley's business plan and has seen the launch of five new developments in the period; two in London, at Trent Park in Enfield and St William's Clarendon in Hornsey; and three outside the Capital, in Winchester, Ascot and St Joseph's first development in Birmingham, Snow Hill Wharf. These complement further releases on existing schemes such as White City and West End Gate in Paddington. Berkeley's reputation for the quality of the homes, places and communities it creates sets its developments apart and underpins demand. Sales continue to be split broadly evenly between owner occupiers and investors, with overseas customers continuing to see relative value in the London market. Help to Buy reservations accounted for 135 sales in the period.

In the period Berkeley has invested in 11 new sites, all outside London, and has continued to make good progress in bringing forward a number of new regeneration sites in London, including those within the St William portfolio, ensuring we make the most of the opportunity to develop for all our stakeholders. An effective planning process requires collaboration and partnerships; in other words, a culture of enabling rather than regulation.

Build cost rises are steady at around 4% per annum, but we remain very aware of the risks presented by various Brexit scenarios.

Our Vision

Through the framework of 'Our Vision' Berkeley articulates its strategy across our five areas of strategic focus: Customers, Homes, Places, Operations and Our People. We review and develop our strategy every two years to drive continual improvement and to address industry and global issues, including those identified within the United Nations' Sustainable Development Goals (SDGs). In May 2018 we launched a new set of two year commitments.

Customers
Our customers' experience is central to our strategy and we use the independently assessed Net Promoter Score (NPS) to drive and measure progress. At 70.5 (on a scale of -100 to +100) our score remains industry leading and we continue to gather insight into the customer journey to further improve the service we provide.

Homes
Berkeley continues to assess the risks and opportunities climate change presents to our business. We welcome the recommendations of the FSB Task Force on Climate-related Financial Disclosures (TCFD) and have published our initial response to these. We were proud to have become the first carbon positive housebuilder earlier this year, meeting our commitment set two years previously to achieve a 10% reduction in carbon emissions and to offset more than our remaining emissions through the support of verified projects.

In May 2018 we committed to produce a transition plan for each new development to enable our homes to operate at net zero carbon by 2030. Research is underway to identify how we develop transition plans and to understand changes in technology. This has included working with E.ON to pilot the 'Future Energy Home', which allows residents to generate and store electricity in a battery for use to charge electric vehicles and to relieve pressure on the power grid at times of high demand. We are also pleased to have become a founding signatory to the World Green Building Council's (WorldGBC's) commitment to deliver Net Zero Carbon Buildings by 2030; an initiative announced at the Global Climate Action Summit in September.

Places
We create well-designed, high quality and sustainable places where communities thrive. We understand the vital role beautiful natural landscapes plays within everyday life and in giving local communities a shared sense of identity and belonging. Berkeley's pioneering approach to enhancing nature and biodiversity was recognised by the Construction Industry Research and Information Association (CIRIA) at the Big Biodiversity Challenge Awards 2018 in October. It has since been recognised by Government, with DEFRA now consulting on plans to make net biodiversity gain a national policy requirement.

Operations
Delivery of the Berkeley Modular facility is now underway, with completion of the core building expected in 2019 and production to start during 2020 after fit-out. We are undertaking research and development, with our consultants and our supply chain partners, to create a sophisticated modular solution.

At capacity, the facility will create more than 200 permanent jobs and training opportunities for local people. Berkeley Modular has begun working with North Kent College to create a unique apprenticeship scheme that will enable candidates to gain valuable experience of volumetric modular manufacturing.

Our People
Helping to alleviate the industry's skills crisis remains a key area of focus for Berkeley. In October, one of the country's first purpose-built construction academies was officially opened on our Southall Waterside regeneration site. The West London Construction Academy is being delivered in partnership with West London College and aims to address the industry's skills gap. The new 'By Industry, For Industry' curriculum has been designed by Berkeley Group, West London College and trade partners. Apprentices will gain on-the-job experience alongside classroom and online learning, bridging the skills gap for the long-term and allowing students to earn as they learn. In recognition of the talent joining our industry, we held our third annual Berkeley Group Apprentice Awards in September.

Health and safety and the wellbeing of our people is of critical importance to Berkeley. Our latest 12 month rolling Accident Incident Rate (AIR) is 1.40 reportable incidents for every 1,000 people working on our sites and in our offices. We are strengthening our focus on wellbeing, in particular developing and implementing a strategy for mental health which includes both awareness and training people as Mental Health First Aiders.

The Berkeley Foundation

We continue to support young people, their families and the wider communities in which we work through the Berkeley Foundation; a registered charity focused on the four key areas of homes, jobs, skills and care. Our employees continue to show remarkable enthusiasm, enabling the Foundation to support more than 100 charities since 2011, reaching 17,500 people.

The Foundation will shortly be launching its new strategic plan, which will take the organisation through to 2021. This focuses the Foundation's efforts on improving social mobility for young people in our local communities, working towards a new vision: a society in which every young person can thrive. Over the next three years, this will involve growing the Foundation's community investment, working with others to develop more collaborative approaches to funding, and looking at how we can maximise the value we are able to add to the Foundation's partners through the skills, experiences and opportunities available at Berkeley.

Outlook

Berkeley has had a good start to the year and this is reflected in our guidance which is increased for the full year, and reaffirmed for the next two years, based upon current market conditions. This is in the context of a short term outlook that is clearly uncertain due to the ongoing Brexit process and a number of headwinds in the operating environment in London and the South East. This uncertainty affects sentiment and confidence which has a consequential adverse impact on investment levels and transaction volumes with a number of developers withdrawing from these markets.

However, we are confident that London will remain a vibrant, tolerant and diverse global city, attractive both domestically and internationally where the cumulative demand for new homes is only increasing.

With net cash of over £850 million and forward sales of £1.9 billion, this is an environment in which Berkeley has the long-term operating model and expertise to invest; in both new opportunities and our own regeneration sites which we are bringing through to delivery. This model also provides the financial strength, resilience and agility necessary should the operating environment deteriorate in this period of unprecedented volatility.

This is an exciting new era for Berkeley and, as we look forward, it is important to establish the right balance between profitability and social purpose, and for the right conditions for growth to be in place to encourage all developers – be they large or small, public or private – to invest and increase the supply of homes of all tenures to meet the clear need of our country and capital city. This requires trust and confidence and fresh alignment between the public and private sector, to which Berkeley is wholly committed as part of its ambition to remain at the forefront of the industry, setting the standard for quality and place-making.

Rob Perrins
Chief Executive

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £1,653.4 million in the period (2017: £1,664.5 million) arose primarily from the sale of new homes in London and the South East of England. This included £1,513.7 million of residential revenue (2017: £1,597.1 million) and £139.7 million of commercial revenue (2017: £39.0 million). There were no land sales (2017: £nil) or sales of ground rent assets (2017: £28.4 million) in the period.

2,027 new homes (2017: 2,190) were sold across London and the South East of England at an average selling price of £740,000 (2017: £721,000). The changes to the average selling price are a result of mix on the Group's schemes in central London in the period.

Revenue of £139.7 million from commercial activities includes the sale of a 190-bed hotel at 250 City Road, 71,000 sqft of office, retail and leisure space at One Tower Bridge and further space across a number of the Group's developments including London Dock, Woodberry Down and Beaufort Park. The £39.0 million of revenue last year was from the sale of some 76,000 sqft of office, retail and leisure space including the sale of a hotel at Royal Arsenal.

The gross margin percentage has decreased to 29.2% (2017: 35.7%), reflective of the mix of properties sold in the period. Overheads of £80.7 million (2017: £79.6 million) increased by £1.1 million in the period. The result is that the Group's operating margin has decreased to 24.3% from 30.9% last year, as profitability begins its return to more normal levels.

Berkeley's share of the results of joint ventures was a profit of £2.3 million (2017: £27.8 million) which reflects the stage of delivery of completions at the Kensington and Green Park developments within St Edward, and pre-development costs within St William.

The Group has remained cash positive on a net basis throughout the period. Net finance costs totaled £3.2 million in the period (2017: £2.1 million) due to facility fees, interest on the £300 million term borrowing and imputed interest on land creditors which outweighed interest income on cash deposits.

Pre-tax return on equity for the period is 30.5%, compared to 48.8% for the comparative period. Basic earnings per share has decreased by 23.2% from 320.5 pence to 246.0 pence, which takes into account the issue of a further 0.4 million shares in October to satisfy the net share awards under the 2011 LTIP scheme as well as the buy-back of 5.4 million shares during the period at a cost of £193.7 million.

Financial Position

Net assets increased over the six month period by £79.8 million, or 3.1%, to £2,671.0 million (30 April 2018: £2,591.2 million). This is after payment of £43.8 million of dividends and the £193.7 million of share buy-backs. This equates to a net asset value per share of 2,074 pence, up 7.0% from 1,938 pence at 30 April 2018, given the share buy-backs undertaken in the period.

Inventories have decreased by £185.1 million from £3,296.6 million at 30 April 2018 to £3,111.5 million at 31 October 2018. Inventories include £497.5 million of land not under development (30 April 2018: £337.7 million), £2,489.0 million of work in progress (30 April 2018: £2,836.5 million) and £125.0 million of completed stock (30 April 2018: £122.4 million).

Trade and other payables are £1,699.1 million at 31 October 2018 (30 April 2018: £1,727.4 million). These include £804.4 million of on account receipts from customers (30 April 2018: £895.0 million) and land creditors of £96.8 million (30 April 2018: £105.2 million). Provisions of £82.7 million (30 April 2018: £81.8 million) include post completion development obligations and other provisions.

The Group ended the period with net cash of £859.7 million (30 April 2018: £687.3 million), which consists of cash holdings of £1,159.7 million and a £300.0 million term loan drawn under the Group's banking facilities. This is an increase of £172.4 million during the period (2017: £347.3 million) as a result of £396.3 million of cash generated from operations (2017: £519.6 million) and a net inflow of £126.0 million in working capital (2017: £104.0 million), before tax and other net cash outflows of £112.4 million (2017: £113.1 million), dividends of £43.8 million (2017: £70.4 million) and share buybacks of £193.7 million (2017: £92.8 million).

Banking

The Group's financial strength is further supported by its banking facilities which total £750 million, consisting of a drawn £300 million term loan and an undrawn £450 million revolving credit facility. The Group has clarity of financing with the facilities in place to November 2023 after the Group exercised the final option shortly after the period end to extend the facilities by a year. The Group's cash holdings are currently placed on deposit with its relationship banks.

Joint Ventures

Investments accounted for using the equity method have increased from £311.9 million at 30 April 2018 to £331.0 million at 31 October 2018. Berkeley's joint ventures include St Edward, a joint venture with Prudential plc and St William, a joint venture with National Grid plc. The increase in joint venture investments during the period reflects Berkeley's share of joint venture profits of £2.3 million and further funding into St William of £16.8 million.

In St Edward, 57 homes were sold in the period at an average selling price of £863,000 (2017: 164 at £962,000). These completions were primarily across two developments, Green Park in Reading and Kensington, whilst the last home at 190 Strand was also completed.

During the period, Millbank in Westminster was launched with a good number of forward sales being generated. Green Park was re-planned with an additional 380 homes added to the development, whilst planning consent was obtained for 1,500 homes at Hartland Village in Fleet, Hampshire. The acquisition of Hartland Village into the joint venture occurred in the period and consequently the site has been added to the land holdings, whilst a further site was contracted conditional on planning in Queensway, Birmingham.

In total, 3,926 plots (30 April 2018: 1,835 plots) in Berkeley's land holdings relate to six St Edward developments, two in London (Westminster and Kensington) and four outside the Capital (Reading, Fleet, Wallingford and Birmingham).

In St William, there are 8,861 plots (30 April 2018: 7,900 plots) contracted in the joint venture across 14 developments which are all included in Berkeley's land holdings. During the period, construction commenced at Clarendon with sales launched in September. This means there are now five developments in production, with two further small developments, in Oxted and Watford, scheduled to commence in the second half of the financial year.

The remaining seven sites are included in Berkeley's conditional land holdings. During the period, resolutions to grant consent were obtained at the former Fulham gasworks site for 1,843 homes and at Ascot for 76 homes, which are subject to concluding section 106 agreements. The other five sites also remain in the planning process. Berkeley continues to work closely with National Grid to identify sites from across its portfolio to bring through into the joint venture.

Land Holdings

Berkeley's land holdings comprise 52,202 plots at 31 October 2018 (30 April 2018: 46,867 plots) including joint ventures. Of these land holdings, 38,299 plots (30 April 2018: 32,921) are on 84 sites that are owned and included on the balance sheet of the Group or joint ventures and 13,903 plots (30 April 2018: 13,946) are on 17 contracted sites which either do not yet have a planning consent or have another conditional element such as vacant possession. The Group also holds a strategic pipeline of long-term options for in excess of 5,000 plots.

The plots in the land holdings at 31 October 2018 have an estimated future gross margin of £6,042 million (30 April 2018: £6,003 million), which includes the Group's 50% share of the anticipated margin on any joint venture development.

The number of plots in the land holdings have risen significantly during the period through the addition of 11 new sites, all of which are outside London, whilst future gross margin is broadly unchanged at £6.0 billion. This dynamic reflects the mix of developments with the gross margin on the new sites, coupled with the effects of new or revised planning consents in the period, slightly ahead of the higher value central London properties taken through the income statement.

The 11 sites include the two in St Edward set out in the Joint Ventures section, namely Hartland Village in Fleet and Queensway in Birmingham. The remaining nine sites include two developments for a little over 1,000 homes each in Slough and Watford, as well as sites in High Wycombe, Paddock Wood, Reading (2), Horsham, Stratford-Upon-Avon and Birmingham.

Berkeley has secured five new planning consents in the period. These include, in London, the developments at Oval Gasworks, Grand Union in Northfields and at Stephenson Street, West Ham. While these sites now have planning consents, they each require other third party agreements to be finalised before production can commence. This is a feature of London's large regeneration sites. Outside London, the new consents include St Edward's Hartland Village in Fleet and a site in Paddock Wood, Kent. In addition, resolutions to grant consent were obtained at St William's Fulham and Ascot sites, as well as a number of revised consents in the period which have sought to improve the development solution for each scheme to add value and/or reduce risk.

Of Berkeley's 84 owned sites, 64 sites (plots: 24,447) have an implementable planning consent and are in construction, whilst a further 13 sites (plots: 10,675) have at least a resolution to grant planning but the consent is not yet implementable; due to either ongoing section 106 negotiations or practical technical constraints and challenges surrounding, for example, vacant possession, CPO requirements or utilities provision. Berkeley has just seven sites (plots: 3,177) which it owns unconditionally which do not have a planning consent.

Of the 17 contracted sites, four sites (plots: 5,521) have a planning consent but they remain conditional on other factors, typically vacant possession. The remaining 13 sites (plots: 8,382) are in the planning process. Given the contracted nature of all of these sites, there is low financial risk on balance sheet.

The estimated future gross margin represents management's risk-adjusted assessment of the potential gross profit for each site, taking account of a wide range of factors, including: current sales and input prices; the political and economic backdrop; the planning regime; and other market forces; all of which could have a significant effect on the eventual outcome.

Principal risks and uncertainties

The principal business risks and uncertainties facing Berkeley for the next six months are the same as those set out on pages 59 to 71 of the Annual Report for the year ended 30 April 2018. These comprise the economic and political outlook, the impact of regulation on the business and the wider industry, the availability of land, the planning process, retention of our people, securing sales, mortgage availability, sustainability and climate change considerations, health and safety on the Group's developments, control of build costs and maintaining programmes, product quality and cyber and data risk. In preparing this interim report, full account has been taken of this risk profile and the future outlook for the Group's developments as embraced within the Group's strategy and outlook.

- End -

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Statement of Directors' Responsibilities

This statement, which should be read in conjunction with the independent review of the auditors set out at the end of these condensed interim financial statements (the "interim financial statements"), is made to enable shareholders to distinguish the respective responsibilities of the Directors and the auditors in relation to the interim financial statements which the Directors confirm have been presented on a going concern basis. The Directors consider that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates.

A copy of the interim financial statements of the Group is placed on the website of The Berkeley Group Holdings plc: www.berkeleygroup.co.uk. The Directors are responsible for the maintenance and integrity of the information on the website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm that this condensed set of interim financial statements has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Directors of The Berkeley Group Holdings plc are listed in the Annual Report of The Berkeley Group Holdings plc for the year ended 30 April 2018. A list of current Directors is maintained on The Berkeley Group Holdings plc's website.

On behalf of the Board

R C Perrins
Chief Executive
7 December 2018

R J Stearn
Finance Director
7 December 2018

Condensed Consolidated Income Statement

	Notes	Six months ended 31 October 2018 Unaudited £m	Six months ended 31 October 2017 Unaudited (Restated*) £m	Year ended 30 April 2018 Audited (Restated*) £m
Revenue		1,653.4	1,664.5	2,840.9
Cost of sales		(1,170.6)	(1,070.7)	(1,857.4)
Gross profit		482.8	593.8	983.5
Net operating expenses		(80.7)	(79.6)	(166.5)
Operating profit		402.1	514.2	817.0
Finance income	3	4.6	1.5	6.6
Finance costs	3	(7.8)	(3.6)	(9.3)
Share of results of joint ventures using the equity method		2.3	27.8	162.7
Profit before taxation for the period		401.2	539.9	977.0
Income tax expense	4	(76.1)	(101.5)	(181.5)
Profit after taxation for the period		325.1	438.4	795.5
Earnings per share:				
Basic	5	246.0p	320.5p	587.4p
Diluted	5	240.0p	312.0p	574.3p

*Results for the six months ended 31 October 2017 and the year ended 30 April 2018 have been restated to reflect the adoption of IFRS 15 with effect from 1 May 2018. See note 8.

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2018 Unaudited £m	Six months ended 31 October 2017 Unaudited (Restated*) £m	Year ended 30 April 2018 Audited (Restated*) £m
Profit after taxation for the period	325.1	438.4	795.5
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss			
Re-measurements of the net defined benefit asset/liability	(0.3)	(0.3)	(0.6)
Deferred tax on re-measurements of the net defined benefit asset/liability	-	-	0.1
Total items that will not be reclassified to profit or loss	(0.3)	(0.3)	(0.5)
Other comprehensive expense for the period	(0.3)	(0.3)	(0.5)
Total comprehensive income for the period	324.8	438.1	795.0

*Results for the six months ended 31 October 2017 and the year ended 30 April 2018 have been restated to reflect the adoption of IFRS 15 with effect from 1 May 2018. See note 8.

Condensed Consolidated Statement of Financial Position

	Notes	At 31 October 2018 Unaudited £m	At 31 October 2017 Unaudited (Restated*) £m	At 30 April 2018 Audited (Restated*) £m
Assets				
Non-current assets				
Intangible assets		17.2	17.2	17.2
Property, plant and equipment		30.6	25.7	25.9
Investments accounted for using the equity method		331.0	160.5	311.9
Deferred tax assets		45.9	66.4	65.7
		424.7	269.8	420.7
Current assets				
Inventories		3,111.5	3,315.0	3,296.6
Trade and other receivables		71.0	16.1	43.1
Cash and cash equivalents	6	1,159.7	932.8	987.3
		4,342.2	4,263.9	4,327.0
Total assets		4,766.9	4,533.7	4,747.7
Liabilities				
Non-current liabilities				
Borrowings	6	(300.0)	(300.0)	(300.0)
Trade and other payables		(57.6)	(69.0)	(62.6)
Provisions for other liabilities		(69.8)	(72.0)	(68.0)
		(427.4)	(441.0)	(430.6)
Current liabilities				
Trade and other payables		(1,641.5)	(1,612.2)	(1,664.8)
Current tax liabilities		(14.1)	(107.5)	(47.3)
Provisions for other liabilities		(12.9)	(21.2)	(13.8)
		(1,668.5)	(1,740.9)	(1,725.9)
Total liabilities		(2,095.9)	(2,181.9)	(2,156.5)
Total net assets		2,671.0	2,351.8	2,591.2
Equity				
Shareholders' equity				
Share capital		7.0	7.0	7.0
Share premium		50.3	49.8	49.8
Capital redemption reserve		24.5	24.5	24.5
Other reserve		(961.3)	(961.3)	(961.3)
Retained profit		3,550.5	3,231.8	3,471.2
Total equity		2,671.0	2,351.8	2,591.2

*Results for the six months ended 31 October 2017 and the year ended 30 April 2018 have been restated to reflect the adoption of IFRS 15 with effect from 1 May 2018. See note 8.

Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained profit £m	Total equity £m
Unaudited						
At 1 May 2018 – originally reported	7.0	49.8	24.5	(961.3)	3,500.0	2,620.0
Impact of IFRS 15	-	-	-	-	(28.8)	(28.8)
At 1 May 2018 – restated*	7.0	49.8	24.5	(961.3)	3,471.2	2,591.2
Profit after taxation for the period	-	-	-	-	325.1	325.1
Other comprehensive expense for the period	-	-	-	-	(0.3)	(0.3)
Purchase of own shares	-	-	-	-	(193.7)	(193.7)
Issue of ordinary shares	-	0.5	-	-	-	0.5
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(7.0)	(7.0)
- Deferred tax in respect of employee share schemes	-	-	-	-	(1.0)	(1.0)
- Dividends to equity holders of the Company	-	-	-	-	(43.8)	(43.8)
At 31 October 2018	**7.0**	**50.3**	**24.5**	**(961.3)**	**3,550.5**	**2,671.0**
Unaudited						
At 1 May 2017 – originally reported	7.0	49.8	24.5	(961.3)	3,016.9	2,136.9
Impact of IFRS 15	-	-	-	-	(62.2)	(62.2)
At 1 May 2017 – restated*	7.0	49.8	24.5	(961.3)	2,954.7	2,074.7
Profit after taxation for the period – restated*	-	-	-	-	438.4	438.4
Other comprehensive expense for the period	-	-	-	-	(0.3)	(0.3)
Purchase of own shares	-	-	-	-	(92.8)	(92.8)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(0.5)	(0.5)
- Deferred tax in respect of employee share schemes	-	-	-	-	2.7	2.7
- Dividends to equity holders of the Company	-	-	-	-	(70.4)	(70.4)
At 31 October 2017 – restated*	**7.0**	**49.8**	**24.5**	**(961.3)**	**3,231.8**	**2,351.8**
Audited						
At 1 May 2017 – originally reported	7.0	49.8	24.5	(961.3)	3,016.9	2,136.9
Impact of IFRS 15	-	-	-	-	(62.2)	(62.2)
At 1 May 2017 – restated*	7.0	49.8	24.5	(961.3)	2,954.7	2,074.7
Profit after taxation for the year – restated*	-	-	-	-	795.5	795.5
Other comprehensive expense for the year	-	-	-	-	(0.5)	(0.5)
Purchase of own shares	-	-	-	-	(140.4)	(140.4)
Transactions with shareholders:						
Credit in respect of employee share schemes	-	-	-	-	4.2	4.2
Deferred tax in respect of employee share schemes	-	-	-	-	4.4	4.4
Dividends to equity holders of the Company	-	-	-	-	(146.7)	(146.7)
At 30 April 2018 – restated*	**7.0**	**49.8**	**24.5**	**(961.3)**	**3,471.2**	**2,591.2**

*Results for the six months ended 31 October 2017 and the year ended 30 April 2018 have been restated to reflect the adoption of IFRS 15 with effect from 1 May 2018. See note 8.

Condensed Consolidated Cash Flow Statement

	Notes	Six months ended 31 October 2018 Unaudited £m	Six months ended 31 October 2017 Unaudited £m	Year ended 30 April 2018 Audited £m
Cash flows from operating activities				
Cash generated from operations	6	522.3	623.6	957.2
Interest received		4.6	1.6	4.9
Interest paid		(4.2)	(4.6)	(7.5)
Income tax paid		(90.6)	(100.2)	(238.0)
Net cash flow from operating activities		432.1	520.4	716.6
Cash flows from investing activities				
Purchase of property, plant and equipment		(6.1)	(4.5)	(6.1)
Proceeds on disposal of property, plant and equipment		0.2	0.1	0.4
Movements in loans with joint ventures		(16.8)	(5.5)	(22.0)
Net cash flow from investing activities		(22.7)	(9.9)	(27.7)
Cash flows from financing activities				
Proceeds from issue of shares		0.5	-	-
Purchase of own shares		(193.7)	(92.8)	(140.4)
Dividends paid to equity holders of the Company		(43.8)	(70.4)	(146.7)
Net cash flow from financing activities		(237.0)	(163.2)	(287.1)
Net increase in cash and cash equivalents		172.4	347.3	401.8
Cash and cash equivalents at the start of the financial period		987.3	585.5	585.5
Cash and cash equivalents at the end of the financial period	6	1,159.7	932.8	987.3

Notes to the Condensed Consolidated Financial Information

1 General information

The Berkeley Group Holdings plc ("the Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company and its subsidiaries (together "the Group") are engaged in residential led, mixed-use property development.

This condensed consolidated half-yearly financial information was approved for issue on 7 December 2018. It does not comprise statutory accounts within the meaning of Section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 30 April 2018 were approved by the Board of Directors on 20 June 2018 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their audit report, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

2 Basis of preparation

The half year report has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) as adopted by the European Union and the disclosure requirements of the Listing Rules.

This condensed consolidated half-yearly financial information for the six months ended 31 October 2018 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of Financial Services Authority and with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

The comparative figures for the year ended 30 April 2018 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Sections 498 (2) or (3) respectively of the Companies Act 2006.

The accounting policies, presentation and method of computations adopted in the preparation of the interim 2018 condensed and consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2018 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2019 and the impact of IFRS 15 which is discussed in detail below.

The following new standards, amendments to standards and interpretations are applicable to the Group and are mandatory for the first time for the financial year beginning 1 May 2018:

IFRS 15, 'Revenue from Contracts with Customers' replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts', setting out new revenue recognition criteria particularly with regard to performance obligations and assessment of when control of goods or services passes to the customer. The standard is effective for periods beginning on or after 1 January 2018 and has been implemented by the Group from 1 May 2018. See note 8 for details of the restatement.

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement' and is effective from 1 January 2018. The Group does not presently hold any complex financial instruments. This Standard has not had a significant impact on the results of the Group for the period ended 31 October 2018.

Amendment to IFRS 2 'Share-based Payments', Amendment to IFRS 4 'Insurance Contracts' regarding the implementation of IFRS 9 'Financial Instruments', and Annual Improvements 2014-2016, all effective from 1 January 2018, have not had a significant impact on the results of the Group for the period ended 31 October 2018.

Notes to the Condensed Consolidated Financial Information (continued)

2 Basis of preparation (continued)

The Group is currently considering the impact of IFRS 16 'Leases', Annual Improvements 2015-2017, Amendment to IAS 28 'Investments in Associates and Joint Ventures', IFRIC 23 Uncertainty over income tax treatments, and Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement' which will be applicable to the Group for the financial year beginning 1 May 2019. These standards are not expected to have a significant impact on the results of the Group.

3 Net finance costs

	Six months ended 31 October 2018 Unaudited £m	Six months ended 31 October 2017 Unaudited £m	Year ended 30 April 2018 Audited £m
Finance income	4.6	1.5	6.6
Finance costs			
Interest payable on bank loans and non-utilisation fees	(4.2)	(2.6)	(7.5)
Amortisation of facility fees	(1.0)	(0.9)	(1.8)
Other finance costs	(2.6)	(0.1)	-
	(7.8)	(3.6)	(9.3)
Net finance costs	(3.2)	(2.1)	(2.7)

Finance income predominantly represents interest earned on cash deposits.

Other finance costs represent interest on the corporate facility and on land purchased on deferred settlement terms.

4 Income tax expense

	Six months ended 31 October 2018 Unaudited £m	Six months ended 31 October 2017 Unaudited (Restated) £m	Year ended 30 April 2018 Audited (Restated) £m
Current tax			
UK corporation tax payable	(61.0)	(94.4)	(177.8)
Adjustments in respect of previous periods	0.5	2.7	9.4
	(60.5)	(91.7)	(168.4)
Deferred tax	(15.6)	(9.8)	(13.1)
	(76.1)	(101.5)	(181.5)

Notes to the Condensed Consolidated Financial Information (continued)

5 Earnings per share

Basic earnings per share is calculated as the profit for the financial period attributable to shareholders of the Group divided by the weighted average number of shares in issue during the period.

	Six months ended 31 October 2018 Unaudited	Six months ended 31 October 2017 Unaudited (Restated)	Year ended 30 April 2018 Audited (Restated)
Profit attributable to shareholders (£m)	325.1	438.4	795.5
Weighted average no. of shares (m)	132.2	136.8	135.4
Basic earnings per share (p)	246.0	320.5	587.4

For diluted earnings per ordinary share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares.

At 31 October 2018, the Group had two (2017: two) categories of potentially dilutive ordinary shares: 3.3 million (2017: 3.7 million) £nil share options under the 2011 LTIP and 19,362 (2017: 11,917) £nil share options under the 2015 Bonus Banking plan.

A calculation is undertaken to determine the number of shares that could have been acquired at fair value based on the aggregate of the exercise price of each share option and the fair value of future services to be supplied to the Group which is the unamortised share-based payments charge. The difference between the number of shares that could have been acquired at fair value and the total number of options is used in the diluted earnings per share calculation.

	Six months ended 31 October 2018 Unaudited	Six months ended 31 October 2017 Unaudited (Restated)	Year ended 30 April 2018 Audited (Restated)
Profit used to determine diluted EPS (£m)	325.1	438.4	795.5
Weighted average no. of shares (m)	132.2	136.8	135.4
Adjustments for:			
Share options - 2011 LTIP	3.3	3.7	3.1
Bonus plan shares	-	-	-
Shares used to determine diluted EPS (m)	135.5	140.5	138.5
Diluted earnings per share (p)	240.0	312.0	574.3

Notes to the Condensed Consolidated Financial Information (continued)

6 Notes to the Condensed Consolidated Cash Flow Statement

	Six months ended 31 October 2018 Unaudited £m	Six months ended 31 October 2017 Unaudited (Restated) £m	Year ended 30 April 2018 Audited (Restated) £m
Net cash flows from operating activities			
Profit after taxation for the period	325.1	438.4	795.5
Adjustments for:			
- Taxation	76.1	101.5	181.5
- Depreciation	1.2	1.3	2.7
- Finance income	(4.6)	(1.5)	(6.6)
- Finance costs	7.8	3.6	9.3
- Share of results of joint ventures after tax	(2.3)	(27.8)	(162.7)
- Net settlement of share-based payments	(7.0)	4.1	8.6
Changes in working capital:			
- Decrease in inventories	185.1	324.9	343.3
- Increase in trade and other receivables	(27.8)	(13.3)	(40.2)
- Decrease in trade and other payables	(31.0)	(207.3)	(173.6)
- Decrease in employee benefit obligations	(0.3)	(0.3)	(0.6)
Cash generated from operations	522.3	623.6	957.2
Reconciliation of net cash flow to net cash			
Net increase in cash and cash equivalents, including bank overdraft	172.4	347.3	401.8
Net cash inflow from increase in borrowings	-	-	-
Movement in net cash in the financial period	172.4	347.3	401.8
Opening net cash	687.3	285.5	285.5
Closing net cash	859.7	632.8	687.3
Net cash			
Cash and cash equivalents	1,159.7	932.8	987.3
Borrowings	(300.0)	(300.0)	(300.0)
Net cash	859.7	632.8	687.3

7 Related party transactions

The Group has entered into the following related party transactions:

Transactions with Directors

During the period, Mr A W Pidgley paid £192,619 (2017: £23,610), Mr R C Perrins paid £38,864 (2017: £nil) and Mr P Vallone paid £26,416 (2017: £nil) to the Group in connection with works carried out at their homes at commercial rates in accordance with the relevant policies of the Group. There were no balances outstanding at the period end.

A Director's property purchase which has been previously disclosed and received shareholder approval, was:

- Mr K Whiteman – purchase of an apartment at Royal Arsenal Riverside for £650,000 in 2016. During this financial period, Mr K Whiteman legally completed on the purchase of the apartment. All contractual amounts have been paid to the Group.

Notes to the Condensed Consolidated Financial Information (continued)

7 Related party transactions (continued)

Berkeley Homes plc has an agreement with Langham Homes, a company controlled by Mr T K Pidgley who is the son of the Group's Chairman, under which Langham Homes will be paid a fee for a land introduction on an arm's length basis. No payments have been made under this agreement in the period (2017: £nil) and there were no outstanding balances at the period end (2017: £nil). Langham Homes has not introduced any new land to the Group in the period. In the event that any further land purchases are agreed, further fees may be payable to Langham Homes in future periods.

Transactions with Joint Ventures

During the financial period there were no transactions with joint ventures other than movements in loans. The outstanding loan balances with joint ventures at 31 October 2018 total £119,500,000 (30 April 2018: £102,700,000).

8 Prior year restatement from the impact of IFRS 15 '*Revenue from Contracts with Customers'*

IFRS 15, 'Revenue from Contracts with Customers' replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts', setting out new revenue recognition criteria particularly with regard to performance obligations and assessment of when control of goods or services passes to the customer. The standard is effective for periods beginning on or after 1 January 2018 and has been implemented by the Group from 1 May 2018.

Under IFRS 15, revenue and profit on the sale of units is recognised at the point control of the unit is passed to the customer which, based on the indicators in the standard as well as industry practices and interpretations, has been determined as the point of legal completion. The impact of this change is limited only to those contracts which had not legally completed at the financial period end.

Notes to the Condensed Consolidated Financial Information (continued)

8 Prior year restatement (continued)

The comparative results have been restated using the full retrospective transition method. The impact on the Group's primary financial statements is as follows:

Impact on condensed consolidated income statement	**Six months ended 31 October 2017 as previously stated £m**	**Adjustment £m**	**Six months ended 31 October 2017 as restated £m**
Revenue	1,607.7	56.8	1,664.5
Cost of sales	(1,017.3)	(53.4)	(1,070.7)
Gross profit	590.4	3.4	593.8
Net operating expenses	(79.6)	-	(79.6)
Operating profit	510.8	3.4	514.2
Finance income	1.5	-	1.5
Finance costs	(3.6)	-	(3.6)
Share of results of joint ventures using the equity method	24.6	3.2	27.8
Profit before taxation for the period	533.3	6.6	539.9
Income tax expense	(100.3)	(1.2)	(101.5)
Profit after taxation for the period	433.0	5.4	438.4

Impact on condensed consolidated statement of changes in equity	**Six months ended 31 October 2017 as previously stated £m**	**Adjustment £m**	**Six months ended 31 October 2017 as restated £m**
Profit after taxation for the period	433.0	5.4	438.4
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Re-measurements of the net defined benefit asset/liability	(0.3)	-	(0.3)
Total items that will not be reclassified to profit or loss	(0.3)	-	(0.3)
Other comprehensive expense for the period	(0.3)	-	(0.3)
Total comprehensive income for the period	432.7	5.4	438.1

Notes to the Condensed Consolidated Financial Information (continued)

8 Prior year restatement (continued)

Impact on condensed consolidated balance sheet	As at 31 October 2017 as previously stated £m	Adjustment £m	As at 31 October 2017 as restated £m
Assets			
Non-current assets			
Intangible assets	17.2	-	17.2
Property, plant and equipment	25.7	-	25.7
Investments accounted for using the equity method	165.1	(4.6)	160.5
Deferred tax assets	52.1	14.3	66.4
	260.1	9.7	269.8
Current assets			
Inventories	3,211.9	103.1	3,315.0
Trade and other receivables	185.7	(169.6)	16.1
Cash and cash equivalents	932.8	-	932.8
	4,330.4	(66.5)	4,263.9
Total assets	4,590.5	(56.8)	4,533.7
Liabilities			
Non-current liabilities			
Borrowings	(300.0)	-	(300.0)
Trade and other payables	(69.0)	-	(69.0)
Provisions for other liabilities	(72.0)	-	(72.0)
	(441.0)	-	(441.0)
Current liabilities			
Trade and other payables	(1,612.2)	-	(1,612.2)
Current tax liabilities	(107.5)	-	(107.5)
Provisions for other liabilities	(21.2)	-	(21.2)
	(1,740.9)	-	(1,740.9)
Total liabilities	(2,181.9)	-	(2,181.9)
Total net assets	2,408.6	(56.8)	2,351.8
Equity			
Shareholders' equity			
Share capital	7.0	-	7.0
Share premium	49.8	-	49.8
Capital redemption reserve	24.5	-	24.5
Other reserve	(961.3)	-	(961.3)
Retained profit	3,288.6	(56.8)	3,231.8
Total equity	2,408.6	(56.8)	2,351.8

Notes to the Condensed Consolidated Financial Information (continued)

8 Prior year restatement (continued)

Impact on condensed consolidated income statement	**Year ended 30 April 2018 as previously stated £m**	**Adjustment £m**	**Year ended 30 April 2018 as restated £m**
Revenue	2,703.7	137.2	2,840.9
Cost of sales	(1,757.6)	(99.8)	(1,857.4)
Gross profit	946.1	37.4	983.5
Net operating expenses	(166.5)	-	(166.5)
Operating profit	779.6	37.4	817.0
Finance income	6.6	-	6.6
Finance costs	(9.3)	-	(9.3)
Share of results of joint ventures using the equity method	158.0	4.7	162.7
Profit before taxation for the year	934.9	42.1	977.0
Income tax expense	(172.8)	(8.7)	(181.5)
Profit after taxation for the year	762.1	33.4	795.5

Impact on condensed consolidated statement of changes in equity	**Year ended 30 April 2018 as previously stated £m**	**Adjustment £m**	**Year ended 30 April 2018 as restated £m**
Profit after taxation for the year	762.1	33.4	795.5
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Re-measurements of the net defined benefit asset/liability	(0.6)	-	(0.6)
Deferred tax on re-measurements of the net defined benefit asset/liability	0.1	-	0.1
Total items that will not be reclassified to profit or loss	(0.5)	-	(0.5)
Other comprehensive expense for the year	(0.5)	-	(0.5)
Total comprehensive income for the year	761.6	33.4	795.0

Notes to the Condensed Consolidated Financial Information (continued)

8 Prior year restatement (continued)

Impact on condensed consolidated balance sheet	As at 30 April 2018 as previously stated £m	Adjustment £m	As at 30 April 2018 as restated £m
Assets			
Non-current assets			
Intangible assets	17.2	-	17.2
Property, plant and equipment	25.9	-	25.9
Investments accounted for using the equity method	315.0	(3.1)	311.9
Deferred tax assets	58.9	6.8	65.7
	417.0	3.7	420.7
Current assets			
Inventories	3,239.9	56.7	3,296.6
Trade and other receivables	132.3	(89.2)	43.1
Cash and cash equivalents	987.3	-	987.3
	4,359.5	(32.5)	4,327.0
Total assets	4,776.5	(28.8)	4,747.7
Liabilities			
Non-current liabilities			
Borrowings	(300.0)	-	(300.0)
Trade and other payables	(62.6)	-	(62.6)
Provisions for other liabilities	(68.0)	-	(68.0)
	(430.6)	-	(430.6)
Current liabilities			
Trade and other payables	(1,664.8)	-	(1,664.8)
Current tax liabilities	(47.3)	-	(47.3)
Provisions for other liabilities	(13.8)	-	(13.8)
	(1,725.9)	-	(1,725.9)
Total liabilities	(2,156.5)	-	(2,156.5)
Total net assets	2,620.0	(28.8)	2,591.2
Equity			
Shareholders' equity			
Share capital	7.0	-	7.0
Share premium	49.8	-	49.8
Capital redemption reserve	24.5	-	24.5
Other reserve	(961.3)	-	(961.3)
Retained profit	3,500.0	(28.8)	3,471.2
Total equity	2,620.0	(28.8)	2,591.2

Notes to the Condensed Consolidated Financial Information (continued)

8 Prior year restatement (continued)

Impact on condensed consolidated balance sheet	As at 30 April 2017 as previously stated £m	Adjustment £m	As at 30 April 2017 as restated £m
Assets			
Non-current assets			
Intangible assets	17.2	-	17.2
Property, plant and equipment	22.8	-	22.8
Investments accounted for using the equity method	135.0	(7.8)	127.2
Deferred tax assets	59.4	15.5	74.9
	234.4	7.7	242.1
Current assets			
Inventories	3,483.4	156.5	3,639.9
Trade and other receivables	229.5	(226.4)	3.1
Cash and cash equivalents	585.5	-	585.5
	4,298.4	(69.9)	4,228.5
Total assets	4,532.8	(62.2)	4,470.6
Liabilities			
Non-current liabilities			
Borrowings	(300.0)	-	(300.0)
Trade and other payables	(69.2)	-	(69.2)
Provisions for other liabilities	(73.0)	-	(73.0)
	(442.2)	-	(442.2)
Current liabilities			
Trade and other payables	(1,809.2)	-	(1,809.2)
Current tax liabilities	(117.6)	-	(117.6)
Provisions for other liabilities	(26.9)	-	(26.9)
	(1,953.7)	-	(1,953.7)
Total liabilities	(2,395.9)	-	(2,395.9)
Total net assets	2,136.9	(62.2)	2,074.7
Equity			
Shareholders' equity			
Share capital	7.0	-	7.0
Share premium	49.8	-	49.8
Capital redemption reserve	24.5	-	24.5
Other reserve	(961.3)	-	(961.3)
Retained profit	3,016.9	(62.2)	2,954.7
Total equity	2,136.9	(62.2)	2,074.7

INDEPENDENT REVIEW REPORT TO THE BERKELEY GROUP HOLDINGS PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2018 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2018 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Michael Harper
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
7 December 2018